

COVID EIDL Loans Information as of September 8, 2021

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Introduction

- These FAQs include the COVID EIDL program changes made in August 2021 and is the current guidance.
- SBA is authorized to make COVID EIDL loans through December 31, 2021, or when funds are exhausted, whichever occurs sooner. Applicants should read and understand the requirements for submitting an application.
- You can apply for COVID EIDL loans online through SBA's website for free. You might receive emails or offers from third parties to assist you with your application. If you choose to work with a third party to submit your application, you are responsible for any fees and costs related to the third party. SBA will not accept documents signed by a third party on your behalf.

Section 1: COVID EIDL Program Information

SBA's COVID EIDL Loan Product at a Glance

Product	Loan directly from SBA that must be repaid. Low-interest, fixed-rate, long-term loan to help overcome the effects of the pandemic by providing working capital to meet operating expenses
Uses of Proceeds	Working capital to make regular payments for operating expenses, including payroll, rent/mortgage, utilities, and other ordinary business expenses, and to pay business debt incurred at any time (past present or future)

Maximum Loan Amount	\$2 million Note: SBA will begin approving loans greater than \$500,000 on October 8, 2021
Loan Term	30 years
Interest Rate	Businesses: 3.75% fixed Private nonprofit organizations: 2.75% fixed
Payment Deferment	Payments are deferred for the first 2 years (during which interest will accrue), and payments of principal and interest are made over the remaining 28 years. No penalty for prepayment.
Fees	For loans \$25,000 or less: No fees if applying directly through SBA For loans greater than \$25,000: One-time \$100 fee for filing a lien on borrower's business assets plus costs to file lien on real estate when applicable For loans greater than \$500,000 where SBA is taking real estate as collateral: One-time \$100 fee for filing a lien on borrower's business assets. Additionally, the borrower will be responsible for recording the real estate lien and paying the associated fees.
Collateral	Required for loans greater than \$25,000
Personal Guaranty	Required for loans greater than \$200,000
Apply for a Loan	Complete your online COVID EIDL application
Apply for an Increase	Complete your request for an increase in your COVID EIDL portal

What is a COVID EIDL loan?

COVID EIDL loans are distinct and different from regular Disaster Loan Program loans. "COVID EIDL" stands for COVID-19 Economic Injury Disaster Loan. In response to the COVID-19 pandemic, SBA was given the authority to make low-interest fixed-rate long-term COVID EIDL loans to help small businesses and other entities overcome the effects of the pandemic by providing borrowers with working capital to meet ordinary and necessary operating expenses.

The program ends December 31, 2021 or when funds are exhausted, whichever occurs sooner.

What is a Targeted EIDL Advance and Supplemental Targeted Advance?

A COVID EIDL loan is a loan that must be repaid. However, the COVID EIDL program also offers two types of “advances” that do not have to be repaid. Information on the eligibility requirements and availability of these advances and links to applications are available on [SBA’s website](#).

Eligible applicants must be located in SBA-specified low-income communities and must have suffered reductions of revenue. Note: Agricultural enterprises are not eligible for Targeted EIDL Advances or Supplemental Targeted Advances.

For more information, see [Targeted EIDL Advance and Supplemental Targeted Advance \(sba.gov\)](#).

[Search by address](#) to see if your business or other eligible entity type is located in an eligible low-income community.

Targeted EIDL Advance: If you are located in a low-income community, have 300 or fewer employees, and suffered greater than 30% reduction in revenue, you may be eligible for up to \$10,000.

Supplemental Targeted Advance: If you are located in a low-income community, have 10 or fewer employees, and suffered greater than 50% reduction in revenue, you may be eligible for an additional \$5,000 Supplemental Targeted Advance, for a total of \$15,000 in Advances.

Section 2: Submitting a New COVID EIDL Application

How do I apply?

Complete your [online COVID EIDL application](#). The online application portal will provide step by step help. SBA will contact you if additional information is needed. Note: See [instructions for requesting a loan increase](#).

Note: SBA will begin approving loans greater than \$500,000 on October 8, 2021.

What can I use the loan proceeds for?

Borrowers may use COVID EIDL working capital loan proceeds to make regular payments for operating expenses and to:

- Pay or pre-pay business non-federal debt incurred at any time (past or future), including monthly payments, payments of deferred interest;
- Pay regularly scheduled payments on federal debt;
- Payroll;
- Rent/mortgage;
- Utilities; and

- Other ordinary business expenses.

Note: Borrowers with existing COVID EIDL loans are able to use any available loan proceeds on these authorized uses of proceeds

You may not use the funds to:

- Expand your business;
- Make prepayments on debt that is owned by a federal agency (including SBA) or an SBIC.
- Start a new business

What are the loan terms?

Loan or Grant: A COVID EIDL loan is a loan that must be repaid. Unlike the Paycheck Protection Program, a COVID EIDL loan is not forgivable.

Interest Rate and Term:

Businesses: 3.75% fixed for 30 years

Private nonprofit organizations: 2.75% fixed for 30 years

Payment Deferral: The loan term is 30 years; payments are deferred for 24 months (during which interest will accrue) from the date of first disbursement of the Applicant's original COVID EIDL loan. Monthly payments of principal and interest will begin at the end of the deferment period and will be paid over the remaining 28 years. You may make prepayments at any time without penalty.

Collateral Requirements by Loan Amount:

\$0 - \$25,000: No collateral required

\$25,001 – \$500,000: Security agreement (UCC-1) lien required on business assets - A UCC filing is a legal notice that SBA will file with the Secretary of State to record a security interest against your business assets. SBA will charge a one-time \$100 fee for filing the UCC-1 lien.

\$500,001 - \$2,000,000: Security agreement (UCC-1) lien required on business assets and a best available mortgage on real estate owned by the applicant business. SBA will charge a one-time \$100 fee for filing the UCC-1 lien. Additionally, the borrower will be responsible for recording the real estate lien and paying the associated fees.

Personal Guaranty:

\$0 - \$200,000: No personal guaranty required

\$200,001 - \$2,000,000: Except for nonprofit organizations and loans to ESOPs, all loans require a full personal guaranty from:

- All individuals or entities owning 20% or more of the applicant business;
- For sole proprietorships, the proprietor;
- For independent contractors, the contractor;
- For General Partnerships, all general partners;
- For Limited Partnerships, all general partners and any limited partner who owns 20 percent or more of the partnership;
- For Limited Liability Entities, the Managing Member and any member who owns 20 percent or more of the entity;
- For Corporations, any individual or legal entity who owns 20 percent or more of the voting stock.

If no single owner owns 20% or more, then at least one individual or entity must provide a full guaranty.

A personal guaranty is an agreement that an individual makes to assume responsibility for payment of a loan in the event that the applicant business (“borrower”) fails to repay the loan in accordance with the loan agreement or note. The person who signs the guaranty is the guarantor. The personal guaranty remains in place until the loan is paid in full. (See [SOP 50 52](#) for information on substitution of guarantor. Send substitution requests to PDC.AccountsCollateralReview@sba.gov.)

Individuals required to sign personal guaranties must sign an Unconditional Personal Guaranty, which is provided as part of the loan closing documents through the application portal. Unconditional Personal Guaranties must be signed by all required parties and returned to the SBA before the COVID EIDL loan funds will be disbursed. Personal guaranties are not a substitute for any collateral required by SBA. If SBA requires a personal guaranty, refusal to provide the guaranty is a basis for declining an application.

No personal guaranty is required for nonprofit organizations or Employee Stock Ownership Plans (ESOPs).

Underwriting:

Loans \$500,000 or less:

- For profit businesses: Minimum credit score of 570 is required
- Repayment ability of for-profit businesses will be determined by the owner’s credit score

Loans greater than \$500,000:

- For profit businesses: Minimum credit score of 625 is required

- For loans greater than \$500,000, SBA will underwrite your loan and provide you with an opportunity to choose your loan amount, which must be equal to or less than the maximum eligible loan amount calculated by SBA. As part of its underwriting, SBA will perform a cash flow analysis for your business to confirm your business's ability to repay the proposed COVID EIDL loan as well as your business's existing debt obligations.

Am I eligible?

Applicants must be physically located in the United States or designated territory and must have suffered working capital losses due to the Coronavirus pandemic. The COVID EIDL application contains specific eligibility screening questions. A [sample application](#) is provided for reference.

Immigration Status:

For-profit businesses other than sole proprietorships: The business must have a valid IRS-issued tax identification number (TIN). Each owner, member, partner, or shareholders of 20% or more of the business must be a U.S. citizen, non-citizen national, or qualified alien with a valid Social Security Number.

Sole proprietorships: U.S. citizens, non-citizen nationals, and qualified aliens with a valid Social Security Number are eligible for COVID EIDL loans.

For more information on immigration status requirements, see [SOP 50 30 9](#), Appendix 7. Lawful presence in the United States, alone, is not sufficient to establish that the individual is a qualified alien.

Eligibility Based on Size:

In addition to other eligibility requirements, businesses must meet SBA COVID EIDL size standards. You meet COVID EIDL size requirements if any of the following applies to you. You are:

- A business that, together with affiliates, has not more than 500 employees;
- An agricultural enterprise that, together with affiliates, has not more than 500 employees;
- An individual who operates as a sole proprietorship, with or without employees, or as an independent contractor and, together with affiliates, has not more than 500 employees;
- A cooperative that, together with affiliates, has not more than 500 employees;
- A tribal small business concern, as described in 15 U.S.C. 657 a(b)(2)(C), with not more than 500 employees;

- A business, including an agricultural cooperative, aquaculture enterprise, nursery, or producer cooperative (but excluding all other agricultural enterprises), with more than 500 employees that is small under [SBA Size Standards](#);
- A private nonprofit organization that is a non-governmental agency or entity that currently has an effective ruling letter from the IRS granting tax exemption under sections 501(c), (d), or (e) of the Internal Revenue Code of 1954, or satisfactory evidence from the State that the non-revenue producing organization or entity is a nonprofit one organized or doing business under State law, or a faith-based organization;
- A business that, together with [affiliates](#), has more than 500 employees and:
 - is assigned a NAICS code beginning with:
 - 61 Educational Services;
 - 71 Arts, Entertainment and Recreation;
 - 72 Accommodation and Food Services;
 - 213 Support Activities for Mining; Industry group;
 - 3121 Beverage manufacturers;
 - 315 Apparel Manufacturing;
 - 448 Clothing and Clothing Accessories Stores;
 - 451 Sporting Good, Hobby, Book and Music Stores;
 - 481 Air Transportation;
 - 485 Transit and Ground Passenger Transportation;
 - 487 Scenic and Sightseeing Transportation;
 - 511 Publishing Industries (except Internet);
 - 512 Motion Picture and Sound Recording Industries;
 - 515 Broadcasting (except Internet);
 - 532 Rental and Leasing Services; and
 - 812 Personal and Laundry Services.

(You can determine what [NAICS code](#) corresponds with your business.);

- employs not more than 500 employees per physical location; and
- has no more than 20 locations (this includes the number of locations that your affiliates have, if any).

Ineligible entities:

- Those that were not in operation on or before January 31, 2020 (“In operation” includes businesses that were in an organizing stage but had not yet opened for business. Evidence that you were in an organizing stage includes, but is not limited to business licenses, contractual agreements, purchase orders for machinery and equipment, advertisements, and employment classified ads)
- Those that do not meet program size standards
- Engaged in any illegal activities at the federal, state or local level (including sale of marijuana/cannabis)

- Loan packagers that earn more than 1/3 of gross annual revenue from packaging SBA loans
- Earn more than 1/3 of annual gross revenue from gambling
- Engaged in multi-level sales distribution, lending, investment, or real estate development or investment (other than rental properties)
- Primarily engaged in political or lobbying activities
- Applicant is a pawn shop that derived more than 50% of the previous year's income from interest
- Applicant is a life insurance company
- Publicly owned nonprofit organizations other than tribal business concerns
- Owned by a member of Congress
- Presents live performances of a prurient sexual nature or derives income from the sale of related products or services
- An entity where any owner of 50% or more of the entity is more than 60 days delinquent on child support obligations
- Applicant or any 20% or more owners currently suspended or debarred from contracting with the Federal government or receiving Federal grants or loans
- Any 20% or more owner of the applicant currently incarcerated
- Any 20% or more owner of the applicant presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction for any felony
- Any 20% or more owner of the applicant, within the last 5 years, for any felony involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance, has 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; or 4) commenced any form of parole or probation (including probation before judgment)?
- Any 20% or more owner of the applicant, in the past year, has been convicted of a felony committed during and in connection with a riot or civil disorder or other declared disaster
- Bankruptcy: See "What is the impact of bankruptcy on eligibility?" below
- Applicant is a business that operates as a franchise and is not listed on [SBA's Franchise Directory](#)
- Applicant business received revenue or rental income in 2019 and did not file a 2019 federal tax return

How do I know if I have affiliates?

For COVID EIDL loans, an affiliated business (or "affiliate") is any business in which an applicant business:

- Owns at least 50 percent; or
- Has a right to profit distributions of at least 50 percent; or

- Has the contractual authority to control the direction of the business. The affiliation will be determined as of any agreements in existence as of January 31, 2020.

What is the impact of bankruptcy on eligibility?

If the Applicant business (or the owner, if the business is a sole proprietor or an independent contractor) is currently in bankruptcy:

- The Applicant business is eligible if it is operating under an approved plan of reorganization under either a Chapter 5, Chapter 11, Chapter 12 or Chapter 13 bankruptcy. In order to receive COVID EIDL funds, Applicant must provide SBA with evidence of approval for the loan by the court/trustee for the bankruptcy case.
- The Applicant business is NOT eligible if it:
 - Filed for either a Chapter 5, Chapter 11, Chapter 12 or Chapter 13 bankruptcy but no plan of reorganization has been approved
 - Filed for a Chapter 7 bankruptcy, is undergoing a liquidating Chapter 11, and/or is permanently closed (Applicant is not eligible)

What documents do I need to complete my application?

If you were “[in operation](#)” before Jan. 1, 2020:

2019 Federal Income Taxes, including all schedules, for the applicant business (required)

2020 Federal Income Taxes, including all schedules, for the applicant business (if available)

If the most recent Federal income tax return has not been filed, a year-end profit-and-loss statement and balance sheet for that tax year

For nonprofit organizations, a complete copy of the organization's IRS tax-exempt certifications and complete copies of the three most recent years of "Statement of Activities"

IRS Form 4506-T (You will complete this online when you apply)

After loan approval and before loan closing: If your business is not a sole proprietorship, you will be required to provide a Board resolution or certificate of authority providing authority to commit the business to the COVID EIDL loan. You may use your own Board resolution or ODA Form P-022 –Resolution and Certification Form.

If you started being “[in operation](#)” on or between Jan. 1, 2020 and Jan. 31, 2020:

2020 Federal Income Taxes, including all schedules, for the applicant business (if available)

If 2020 Federal Income Taxes for the applicant business are not available, you must submit internally or externally prepared business financial statements including balance sheet and profit and loss statement.

For nonprofit organizations, a complete copy of the organization's IRS tax-exempt certifications and complete copies of the years of "Statement of Activities" since inception

After loan approval and before loan closing: If your business is not a sole proprietorship, you will be required to provide a Board resolution or certificate of authority providing authority to commit the business to the COVID EIDL loan. You may use your own Board resolution or ODA Form P-022 –Resolution and Certification Form.

Additional information that must be submitted for loans greater than \$500,000:

- SBA Form 2202 – Schedule of Liabilities
- List of Real Estate Owned
- [SBA Form 413](#) – Personal Financial Statement for general partners, managing members, and all owners of 20% or more of the applicant business (Not required for nonprofit organizations)

Additional information that may be requested after you submit your application:

- Copy of government-issued photo identification of each principal owning 20 percent or more of the applicant business
- Current year-to-date profit-and-loss statement
- For loans less than or equal to \$500,000: Schedule of Liabilities listing all fixed debts ([SBA Form 2202](#) may be used)

What if I changed my business form of organization after I filed my 2019 taxes?

If you were in operation on or before January 31, 2020 and subsequently changed your legal organization (e.g., you were a sole proprietorship and then you incorporated your business), you must use the tax identification number and address that you used on your 2019 business federal tax return.

SBA will check the financial information you provide in your application against the 2019 tax returns that you filed with the IRS. This is the purpose for having you complete the IRS Form 4506-T with your application. The IRS will not provide a verification if the data on your taxes does not match your COVID EIDL application. SBA will not approve your application without this IRS verification.

I'm not a U.S. Citizen but my business meets all other criteria for COVID EIDL. Am I eligible?

All owners, members, partners, or shareholders of 20% or more of the business must be:

- US citizen with Social Security Number (SSN); or

- Non-US citizen who resides in the U.S. and is classified as a “non-citizen national” or “qualified alien” with SSN. Qualified aliens include permanent residents with a current green card

By when must my business have been in operation in order to be eligible??

You must be able to prove your business was in operation on or before January 31, 2020. You may be asked to provide this documentation to prove your business was in operation on or prior to Jan. 31, 2020.

I purchased my business after January 31, 2020. Am I eligible?

Businesses that had more than a 50 percent change of ownership after January 31, 2020 are ineligible unless the change in ownership involved a close family member or partner or the contract for sale existed prior to January 31, 2020.

Should I submit separate applications if I have more than one business or location?

The way you apply is determined by how you file your federal taxes. For example:

- If you operate three locations but report all sales in one federal tax return, you should complete one application for all of your locations;
- If you operate three locations and file a separate federal tax return for each location, you should complete a separate application for each location;
- If you are a sole proprietor with multiple businesses:
 - If you report your business’s revenues on a single Schedule C, you should complete one application;
 - If each of your businesses has its own tax identification number and you file separate Schedules C, you should complete a separate application for each business

How much can I borrow?

For loans up to \$500,000, your maximum eligible loan amount is determined by a formula based on the date you began operations. You will have the opportunity to choose your loan amount, which must be equal to or less than the maximum eligible loan amount calculated by SBA.

If you were in operation before January 1, 2019, your maximum eligible loan amount is calculated as follows: 2019 gross receipts or sales minus 2019 costs of goods sold multiplied by 2, or \$500,000, whichever is less.

For applicants that began operations partially through 2019 or 2020, SBA will calculate your maximum eligible loan amount.

For applicants using rental loss, SBA will calculate your maximum eligible loan amount.

For loans greater than \$500,000, SBA will underwrite your loan. As part of its underwriting, SBA will perform a cash flow analysis for your business to confirm your business's ability to repay the proposed COVID EIDL loan as well as your business's existing debt obligations.

What lines from my tax return should I use for gross receipts, costs of goods sold, or costs of operation?

The lines used for gross receipts, costs of goods sold, and expenses vary by the entity tax return type.

LLCs should follow the instructions that apply to their tax filing status in the reference periods.)

Entity Type	IRS Form	Gross Receipts	Costs of Goods Sold	Costs of Operation
Self-employed	1040 Schedule C	Line 1	Line 4	N/A
Self-employed	1040 Schedule F	Line 9	N/A	Line 33
S-Corporation	1120-S	Line 1a	Line 2	N/A
C-Corporation	1120	Line 1a	Line 2	N/A
Cooperatives	11201-C	Line 1a	Line 2	N/A
Partnerships	1065	Line 1a	Line 2	N/A
Privately owned nonprofit org	990	Line 12	N/A	Line 18
Privately owned nonprofit org	990-EZ	Line 9	N/A	Line 17

Is there a limit to how much a corporate group can borrow?

Businesses that are part of a corporate group may not receive more than \$10,000,000 in COVID EIDL loans in the aggregate.

Your business is part of a single corporate group if:

- You or your business has majority ownership, directly or indirectly in any other business that has a different tax identification from your business
- Your business is majority owned, directly or indirectly, by a parent company that has a different tax identification number from yours.

Who can sign the application?

The application and other legal documents (such as the note and the loan authorization agreement) that require the applicant's signature must be signed by an individual authorized by the business to do so. Typically, this is the owner of the business, the CEO, or CFO.

I have a business partner, but he/she does not want to be included on the COVID EIDL application. Can I still apply?

Information on all owners who own 20 percent or more of the business is required to be included on the application, and at least 81 percent of the ownership must be accounted for on the application.

For loans greater than \$200,000, all owners who own 20 percent or more of the business, and any managing member or general partner, will be required to sign a personal guaranty.

Is it okay to submit another application if I haven't heard from SBA?

No. Do not submit more than one application, as this will delay SBA's review of your application.

What is the deadline to file an application?

The last day that applications may be approved is **December 31, 2021**. Be sure to file your application as soon as possible to allow processing time for approval.

How do I get help with my loan application?

Contact SBA's Customer Service Center at 800-659-2955 (800-877-8339 for the deaf and hard of hearing) or DisasterCustomerService@sba.gov.

And, your local SBA District Office and resource partners such as local Small Business Development Centers (SBDC), Women's Business Development Centers (WBC), SCORE offices, or Veteran Business Outreach Centers (VBOC) will help at no cost. [Find your local SBA office](#).

Section 3: Submitting a COVID EIDL Increase Application

Can I apply for additional loan funds if I already received a COVID EIDL loan?

Yes, you can apply for an increase up to the amount you qualify for or the \$2,000,000 cap, whichever is lower. Due to the "Exclusivity Period," SBA will begin approving loans greater than \$500,000 on Oct. 8, 2021.

How do I request an increase to my loan?

Complete your request for an increase online by logging into your account in the [COVID EIDL portal](#). **Do NOT apply for another loan** or your application may be flagged as a fraudulent application.

The deferment period for any loan increase will be 24 months from the date the COVID EIDL loan was first disbursed (not the date of increase). If you received a loan in 2020 or 2021 that does not have a 24-month deferment period, SBA will reset your deferment period to 24 months from the date your loan was first disbursed to you.

The amount of loan increase that you are eligible for is determined by the loan amount that you would be eligible for if you applied today minus the loan (including any increases) that you have already received. You may apply for an additional increase even if you have already applied for and received previous loan increase.

For example, if you are eligible for a \$700,000 COVID EIDL loan today, but your current COVID EIDL loan is \$500,000 (either because your maximum loan amount was capped in the past or because you elected to take less than the full amount), you are eligible to request an increase of \$200,000.

Collateral and fees:

- For loans greater than \$25,000 (including your original loan amount plus the amount of your loan increase), if SBA does not already have a UCC-1 lien on the business assets, SBA will charge a one-time \$100 fee for filing a UCC-1 lien.
- For loans greater than \$500,000 (including your original loan amount plus the amount of your loan increase):
 - If SBA does not already have a UCC-1 lien on the business assets, SBA will charge a one-time \$100 fee for filing a UCC-1 lien;
 - If SBA does not already have a lien on business real estate, SBA will require a best available mortgage on real estate owned by the applicant business. Additionally, the borrower will be responsible for recording the real estate lien and paying the associated fees.

Personal Guaranty: Required for loans greater than \$200,000 (which includes your original loan amount plus the amount of your loan increase). See “[Personal Guaranty](#)” in Section 2 above for more information.

SBA will contact you if additional information is needed.

How do I get help with my loan increase?

Contact SBA’s Customer Service Center at 800-659-2955 (800-877-8339 for the deaf and hard of hearing) or DisasterCustomerService@sba.gov.

Section 4: Application Status and SBA Decision

How do I check the status of my application?

You can check the status of your application any time by logging into your account in the [SBA portal](#).

What can I do to decrease the processing time of my application?

You can reduce the total time it takes for your application to be reviewed by responding quickly to any SBA requests for applicant information, signatures, and approvals. This allows the review team to move your application through each processing step faster.

If my COVID EIDL application was declined, is it possible for me to correct any errors and to re-apply?

Yes, this can be done via the reconsideration process outlined in your decline letter.

How will SBA communicate with me?

An SBA loan officer may contact you by telephone or email if additional information is required to process your loan application. Do not send any personally identifiable information, such as your Social Security Number or Federal Tax Returns to any email address that does not end with @sba.gov. You may be invited to upload specific documents via the application portal. SBA will always send emails from an address that ends with @sba.gov. If your application is approved, you will receive an email with instructions.

What can I do if my application is declined?

You will receive an email explaining why the application was declined, including instructions on how to request reconsideration.

Send reconsideration requests to PDCrecons@sba.gov.

Include your application number, any information required to overcome the reason for decline, and any additional information that may assist us in processing your request.

If the decline letter requested specific information or documentation for reconsideration, you **must** include those items. Be sure to include:

- Business Name (both the legal name and DBA if applicable)
- Borrower's Name
- Business Federal Tax Id: EIN, SSN, or ITIN
- Application/Loan Number

You can request reconsideration in writing; however, the last day that applications or reconsiderations may be approved is December 31, 2021. Be sure to file your request for reconsideration as soon as possible to allow processing time for approval.

If you do not respond within 7 days to a request for additional information from SBA, your application may be declined. You may request a reconsideration to reactivate your application.

What are the most common reasons for decline?

The most common reasons for a decline include:

- Unsatisfactory credit history - Credit score does not meet minimum credit score requirement. You may request reconsideration to reactivate your application and submit additional financial information to demonstrate repayment ability.
- Unverifiable information - During the review process there were one or more items that were reviewed that caused the SBA to question the validity of certain information in the application. This can occur as a result of a failed identity verification, international IP address, client device associated with fraud, or high-risk IP address. You may request a reconsideration to reactivate your application and submit additional information.
- SBA was unable to approve the application because the business, together with its affiliates, has reached the \$2M limit. You may request reconsideration to reactivate your application if you believe that assessment may have been in error.
- Ineligible non-US citizen status - Owners of 20% or more of the applicant business must be US citizens, non-citizen nationals, legal permanent resident, or certain asylees. If you believe this determination was made in error you may request reconsideration to reactivate your application and submit additional information to substantiate owner citizen, non-citizen national, or qualified alien status.
- Business activity not eligible - The information you submitted with your application does not meet SBA regulations for an eligible business activity as described in Section 2 above.
- Failure to respond. If you do not respond to the request for additional information within 7 days, the application will be withdrawn with a status of borrower did not wish to proceed. You may request a reconsideration to reactivate an application within a reasonable period of time pending funds available.

How do I securely upload documents to SBA?

You can contact SBA by phone at 800-659-2955 or by email at PDCreatecons@sba.gov to request a secure mode of uploading documents.

Section 5: Post-Disbursement of Approved COVID EIDL Loan Funds

How will I get my money?

When your application is approved, SBA will provide you with loan documents that must be completed and signed. Be sure to keep a copy for your records.

For loans where SBA is not filing a lien on real estate, loan proceeds are electronically deposited to your bank account within 5-10 business days of the time that SBA receives your completed loan documents. For loans greater than \$500,000 where SBA requires a lien on real estate, proof of recorded mortgage/deed of trust and flood insurance, if applicable, will be required prior to disbursement of loan proceeds.

How do I make payments on my loan?

Payments are deferred for the first 2 years (during which interest will accrue), and payments of principal and interest are made over the remaining 28 years. You may make prepayments at any time without penalty. SBA will send you a monthly bill beginning the month before the first payment is due.

Without any action on the part of the borrower, SBA will extend the deferment period of all COVID EIDL loans to 24 months if they do not already have a 24-month deferment period. For borrowers that receive a loan increase, the deferment period begins on the date of the disbursement of the original loan.

You may set up online payments by completing an [SBA Form 1201 Borrower Payment](#) on [Pay.gov](#).

Or mail payments to:

U.S. Small Business Administration
P.O. Box 3918
Portland, OR 97208-3918

When mailing payments, include:

- Business Name
- Borrower's Name
- Borrower's Address
- Account Number
- Tax ID/EIN or SSN
- 10-digit SBA Loan Number

Who do I contact after my loan is closed if I need help?

Contact SBA's Customer Service Center at 800-659-2955 (800-877-8339 for the deaf and hard of hearing) or DisasterCustomerService@sba.gov.

What do I do if my loan application was approved, but I'm experiencing a significant delay in receiving the funds?

It's possible there is an error with the bank account information you submitted. Contact SBA's Customer Service Center at 800-659-2955 (800-877-8339 for the deaf and hard of hearing) or DisasterCustomerService@sba.gov for assistance.

What are my record keeping requirements?

You must retain tax returns and financial records for all loan funds spent for 3 years.

If I've already received a COVID EIDL loan and I've been affected by another disaster such as a flood, can I ask for more funds?

If you are in an area that has a Disaster Declaration, which includes disasters such as flooding, storm damage, wildfires, or earthquakes, you may be eligible for additional SBA disaster loans to cover damage to your home, personal possessions and/or business. Check [DisasterLoanAssistance.sba.gov](https://disasterloanassistance.sba.gov) to see if there is a disaster declaration for your area.

If I get another SBA disaster loan due to different disaster event, can I consolidate the new loan with my COVID EIDL loan? Or can I use it to pay off the COVID EIDL loan?

No. Each SBA disaster loan is a separate loan. They cannot be consolidated. If you qualify for another SBA disaster loan due to a different declared disaster in your area, the new loan must be used for the purposes listed in your loan closing documents, which may include working capital or physical damage repairs. The terms and conditions of other disaster loans may be different than those of the COVID EIDL loan.

Can I sell my business after I receive the COVID EIDL loan?

It's possible for someone to assume your COVID EIDL loan. There are also circumstances where you would be required to repay the loan in full upon sale of your business. Please see [SBA SOP 50 52](#) for more information.

Section 6: Fraud, Waste, and Abuse

How do I report fraud, waste, or abuse?

Contact the Office of Inspector General to file an online complaint:

[Online Complaint Submission System](#)

What if somebody stole my identity to apply for and obtain EIDL assistance in my name?

If you suspect that someone used your personal information without your knowledge or permission to obtain SBA COVID EIDL loan assistance, please download this [EIDL identity theft letter](#) for step-by-step instructions on how to report the identity theft case to SBA, including how to file an [SBA Declaration of Identity Theft](#).

The letter also includes recommended next steps you should take to protect yourself from further financial harm as a result of identity theft, such as reporting the identity theft to the Federal Trade Commission (FTC) at [IdentityTheft.gov](#) as well as adding a fraud alert or credit freeze to your credit reports.

How do I remove the hard inquiry from my credit report as a result of identity theft?

You can dispute a hard inquiry and request that it be removed as a result of identity theft by contacting Experian directly at 1-800-888-397-3742 or online at [Experian Disputes](#).

Why am I still receiving monthly statements after I reported the identity theft to SBA?

You may continue to receive monthly statements while SBA is working to review your identity theft documents and to address the open loan debt. The statements do not reflect the status of the ongoing review of the identity theft. SBA will send you a separate written confirmation when the identity theft review is completed, and the loan debt has been resolved.